

Date	17 February 2020
Recipient	Stakeholders writing business in Saskatchewan
Subject	Saskatchewan: Amendment to Insurance Act

<i>Purpose:</i>	To advise Saskatchewan stakeholders of changes to the act to ensure compliance requirements.
<i>Affects:</i>	Stakeholders writing business in Saskatchewan
<i>Line of Business:</i>	All
<i>Jurisdiction :</i>	Saskatchewan
<i>Effective:</i>	Immediately

What you need to know

As of January 1, 2020, changes came into effect to the [Saskatchewan Insurance Act](#), which will impact stakeholders conducting business in Saskatchewan. The various changes are as indicated below:

1. Disclosures to the Licensing Department Insurance Councils of Saskatchewan:

Errors and Omissions (E&O) Insurers are responsible for advising the Insurance Council of Saskatchewan (ICS) when an E&O insurance coverage ends, whether it is lapsed or it is cancelled.

With respect to intermediaries for Lloyd's Underwriters, it is the responsibility of said intermediary to ensure disclosure to the ICS.

2. Restricted Insurance Agent (RIA) licenses:

For the Restricted Insurance Agent (RIA) licenses, the responsibility is with the Third Party and the intermediary to ensure all is in order. The organization that created and marketed the insurance product is responsible for ensuring that the RIA is educated on the product and ensures appropriate training is received by the RIA.

Saskatchewan will now require RIA licenses to sell:

- automobile gap insurance;
- funeral expense insurance (only for funeral homes and crematoriums);
- portable electronics insurance;
- rented-automobile accidental injury or death insurance;

- rented-automobile contents insurance; and,
- rented-automobile liability insurance.

In addition, the new Act prohibits tied selling. For additional information with respect to RIA, please refer to Sections 5-74, 5-75, 5-76 of the Act.

3. Audits:

The Insurance Regulations allow the General Insurance Council of Saskatchewan (GICS) to carry out audits, examinations, inspections and investigations of licensees and persons who are required to be licensed.

4. Withdrawals of sponsorships.

Insurers must advise the ICS immediately of any withdrawals of sponsorship. Accordingly, Lloyd's must notify the Insurance Council upon notice of a change by the entity of a withdrawal of recommendation along with the reason and effective date of withdrawal.

5. Designated Representative Sponsorship and responsibilities:

The New Representative application requires sponsorship by the same sponsoring insurers as the Agency application. Due to this amendment, Lloyd's Underwriters who presently do not sponsor the Designated Representative (DR), will be required to sponsor the DR which has Lloyd's Underwriters sponsorship for the entity.

In addition, there are further changes to the DR responsibilities. Please refer to: www.saskinsuranceact.info.

6. Disclosures to customers:

With respect to fees being charged, customers must agree in writing to the fees before being charged. Any licensee who transacts insurance for more than one business must clearly advise their client's which business they represent for each and every transaction.

What this means to you

All intermediaries acting for Lloyd's Underwriters are expected to ensure that their organizations are familiar with the amendments of the Insurance Act, and are compliant with the requirements,

For further information, please contact info@lloyds.ca.

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